

Truck and Bus Regulation Economic Hardship Extension Reporting Instructions and Eligibility Guidance

Last Updated October 20, 2014

The Board approved a new flexibility option that would defer compliance with the PM filter requirements until January 1, 2017 for up to three heavier vehicles in a fleet. Heavier vehicles are those with a gross vehicle weight rating (GVWR) greater than 26,000 pounds. This guide describes the eligibility requirements and how vehicle owners can apply for the extension. To apply owners must complete several steps before December 31, 2014 and must mail in a complete application with the form that is at the end of this document no later than January 31, 2015.

To be eligible for the extension, the vehicle owner must be able to prove they were financially unable to complete all of the following options that could be used to comply:

- Install a PM retrofit
- Purchase a replacement vehicle
- Lease a replacement vehicle

If any of the above three options can be used, the owner must complete the action. Owners that have been approved for financing to complete any of the above actions by a lender after January 1, 2014 cannot claim the extension even if another lender denies another loan application or if the owner increased the number of vehicles in the California fleet after January 1, 2012. Additional details about the regulation and the Economic Hardship Extension are available in Mail-Out MSC# 14-13 at:
<http://www.arb.ca.gov/msprog/onrdiesel/regulation.htm>

The extension can be used by vehicles that were owned on or before January 1, 2012, and meet the following:

- Have 1996 model year or newer engines, or
- Have 1995 or older engines and are in fleets that reported their Good Faith Efforts¹ to comply with the Small Fleet Option or the PM Filter Phase-in Option.

¹ Good Faith Efforts as described in Regulatory Advisory #MSC 13-28
<http://www.arb.ca.gov/msprog/mailouts/msc1328/msc1328.pdf>

The extension cannot be claimed for vehicles that did not need to have a PM filter by January 1, 2014. Therefore, the economic hardship extension cannot be used for vehicles that were already reported prior to July 31, 2014 to use other exemptions including the following:

- NOx Exempt Area Extension
- Low-Use Exemption
- 3-Day Pass
- Agricultural Vehicle Extension
- Log Truck Phase-In Option
- Low Mileage Work Truck Option

Similarly, the extension cannot be claimed for vehicles that did not operate in California in 2012 or from January 1, 2014 to July 1, 2014.

Compliance Status

Any vehicle with an Economic Hardship Extension is excused from meeting the PM filter requirements, but does not affect compliance of other vehicles in the fleet. Therefore, vehicles that are not eligible for the extension and do not comply must be sold or scrapped before the economic hardship extension can be granted. For example, a truck owner that has 4 trucks in the fleet that did not comply with the January 1, 2014 PM filter requirements the fleet still will not comply if granted an economic hardship extension for 3 of the vehicles unless the owner retires one of the trucks. Fleet owners will be able to print a certificate of reported compliance only if the fleet is in compliance.

Vehicles that are approved to use the hardship extension must be retired by January 1, 2017, unless the vehicle has a 1996 or newer model year engine and is equipped with a level 3 PM filter.

What steps must I take before I apply?

1. Owners must collect a total of three price quotes between July 1, 2014 and December 31, 2014 for one vehicle in the fleet that would be eligible for the extension. The quotes must include each of the following.
 - A quote from an authorized PM filter installer for the purchase and installation of a PM filter retrofit. A list of authorized installers is available at: (<http://www.arb.ca.gov/msprog/decsinstall/onroadinstallerlist.pdf>).
 - A quote from a vehicle dealer for a replacement cab and chassis or replacement vehicle with the same configuration and body type as the existing vehicle. The replacement must have a 1996 or newer engine with a PM filter.
 - A quote from a leasing entity for a one to three year vehicle lease for a replacement vehicle that has a PM filter installed and has the same configuration and body type as the existing vehicle.
 - In the case of specialized vehicles that are not available for lease, the owner must provide a picture of the current vehicle and an explanation of why such a leased vehicle is not available.
2. Complete the Owner's Information section on Form 162 (found at end of guide) with financial information for 2012, 2013, and 2014. Information may come from filed tax returns, profit and loss statements, and other financial documents.
 - An application without 2014 financial information may be submitted before January 1, 2015. 2014 information must be provided by January 31, 2015 for the extension to be granted until the end of 2015. To continue the extension, 2015 financial information will need to be provided.
3. Apply for an equipment finance loan for all three quotes from a lender participating in CalCAP where the vehicle (or another asset with an equivalent value) is offered as collateral if required by the lender as a condition of financing (<http://www.treasurer.ca.gov/cpcfa/calcap/arb/lenders.pdf>).
 - If the lender approves financing for any one of the three quotes submitted, owners must take the appropriate action to bring the vehicle into compliance and is not eligible to claim the extension.
 - CalCAP lenders that deny a loan may use an alternative form that they send to ARB in lieu of completing the bottom section of form 162.
 - If the lender denies a loan for one or two quotes, the owner must apply for financing from another chartered lender for any of the remaining options.
 - In cases where owners do not have access to a CalCAP lender, attach written explanation as to why a CalCAP lender cannot be used. Owners may then apply to other state or federally chartered institutions.
4. For equipment loan applications that are denied by lenders that do not use the CalCAP alternative form, provide the completed Form 162 to the lender.
 - The lender must complete and sign the bottom section of Form 162 to confirm the type of equipment loan(s) that was evaluated by the lender.
 - Use a separate form for each lender.

How do I apply for the Economic Hardship Extension?

1. Report all heavier vehicles in the fleet that operated in California since January 1, 2012 in the Truck Regulation Upload, Compliance, and Reporting System (TRUCRS) at https://ssl.arb.ca.gov/ssltrucrsto/trucrs_reporting/reporting.php.
2. Complete the Truck and Bus Economic Hardship Extension Form 162.
3. Enclose copies of the three price quotes (PM filter, replacement vehicle, and vehicle lease) to the form.
4. Enclose a copy of the loan denial letter from one or more lenders as appropriate.
5. Enclose proof of vehicle ownership showing Vehicle Identification Number (VIN) and owner name for each vehicle that will use the extension. Proof of ownership must be dated on or before January 1, 2012 and can include registration records, vehicle title, or insurance records.
6. For vehicles that are registered outside of California, owners must provide proof of operation in California in 2012 and from January 1, 2014 to July 1, 2014. Documentation can include International Registration Plan (IRP) or fuel tax records.
7. Mail all documents via US Mail to:

Confidential Truck and Bus Hardship Request
P.O. Box 2815
California Air Resources Board
Sacramento, California 95812

Incomplete applications will not be processed and may be returned.

Owners must keep copies of all documentation used to support the claim of an Economic Hardship Extension.

Form 162

Truck & Bus Regulation Economic Hardship Extension Request Form

Enter your TRUCRS ID to the right. If you have not reported before, and do not have a TRUCRS ID, you will need to report online or submit forms 112A and 112B for an account to be created for you.
This form and attachments must be mailed no later than January 31, 2015.

TRUCRS ID:**Vehicle Owner Information**

First Name	Last Name	Company Name	Phone Number () -
Mailing Address	City	State	Zip Code Years in Business

Existing Vehicles Vehicle you have received quotes for actions to comply and up to two others (attach proof of ownership as on or before 1/1/2012).

Lic. Plate #	Vehicle Identification Number (VIN)	Engine Year	GVWR	Did you own this vehicle 1/1/2012? <input type="checkbox"/> Yes <input type="checkbox"/> No	Estimated Value
List up to two more vehicles that are eligible to use the extension, were owned January 1, 2012, and were in the California fleet in 2012.			Second Vehicle VIN	Third Vehicle VIN	

Actions to Comply Summary of each price quote for a PM filter retrofit, a replacement vehicle, and a vehicle lease (attach all three quotes).

PM Filter Retrofit	PM Filter Family Name	PM Filter Manufacturer	Authorized Installer Company Name	Quoted Price
Vehicle Purchase	VIN	Engine Year	GVWR	Vehicle Body Type Has PM filter? <input type="checkbox"/> Yes <input type="checkbox"/> No Quoted Price
Vehicle Lease	VIN	Engine Year	GVWR	Vehicle Body Type Has PM filter? <input type="checkbox"/> Yes <input type="checkbox"/> No Monthly Payment

Financial Information List vehicle owner's financial information from tax records and other financial documents. Keep records in case of audit.

Have you been approved for a loan or line of credit since January 1, 2014? ☐ No ☐ Yes (If yes, attach explanation)

Do you have any existing tax liens or recent bankruptcies? ☐ No ☐ Yes

Complete the following table and identify what financial documents the information came from:

Financial Data	2012	2013	2014
Gross Revenue	\$	\$	\$
Net Income	\$	\$	\$
Debt	\$	\$	\$
Total Net Worth	\$	\$	\$
Source of Information (Identify all that apply)	<input type="checkbox"/> Tax Return <input type="checkbox"/> Profit/Loss Statement <input type="checkbox"/> Other	<input type="checkbox"/> Tax Return <input type="checkbox"/> Profit/Loss Statement <input type="checkbox"/> Other	<input type="checkbox"/> Tax Return <input type="checkbox"/> Profit/Loss Statement <input type="checkbox"/> Other

I attest under penalty of perjury that: 1. The information provided above is true and correct; 2. I am financially unable to bring the above vehicle(s) into compliance with the Truck and Bus Regulation (Title 13 California Code of Regulations section 2025) unless I receive a loan to do so; 3. I have sought but have not been approved for such a loan; 4. I am providing the above information to the lender listed below and am offering my vehicle (or an asset of equivalent value) as collateral for a loan that would fund each of the three price quotes above. I deem the information contained in this form to be confidential and request ARB to limit its disclosure within its own organization to not disclose it to third parties unless required to do so by law.

Owners Signature: _____ Date: _____

Section to be Completed by Lending Institution if Loan is Denied (Skip if CalCAP lender uses an alternative form)

Name of Financial Institution	Loan Representative First and Last Name	Loan Representative Title	Loan Representative Phone () -
Lender Street Address	Lender City	Lender State	Lender Zip Code Does Lender Participate in CalCAP? <input type="checkbox"/> Yes <input type="checkbox"/> No
Equipment financing evaluated: PM Filter Retrofit: <input type="checkbox"/> Yes <input type="checkbox"/> No Vehicle Purchase: <input type="checkbox"/> Yes <input type="checkbox"/> No Vehicle Lease: <input type="checkbox"/> Yes <input type="checkbox"/> No	Applicant's Credit Report FICO Score: _____ Report Date: _____ Source: _____	Summary of equipment loan application that was denied: Purchase Price: _____ Value of Collateral: _____ Down payment: _____ Interest (%/yr.): _____ Loan Amount _____ Loan period (yrs.): _____	

I attest under penalty of perjury, the information on this form is consistent with the information I used in evaluating loan applications for the applicant. The loans I evaluated included the existing vehicle listed above (or an equivalent asset) as collateral. I have determined that the applicant does not qualify for a loan from this institution to finance any of the above quotes, and, further, the applicant was not denied a loan because the applicant failed to provide the information necessary to evaluate the applicant's qualifications for such a loan.

Loan Representative Signature: _____ Date: _____

Economic Hardship Extension Application Checklist

Before application is mailed, please ensure that the following documents are included:

- ☐ Completed Form 162
- ☐ Loan denial letter from lender(s)
- ☐ Proof of ownership for up to three vehicles that would use the extension
- ☐ Price quote for retrofitting an existing vehicle
- ☐ Price quote for replacing an existing vehicle
- ☐ Price quote for leasing a replacement vehicle

The following are not common and must be provided if applicable:

- ☐ Explanation of why a CalCAP lender could not be used
- ☐ Picture of existing vehicle and an explanation of why a specialized vehicle is not available to lease
- ☐ Proof of operation in California in 2012 and from January 1, 2014 to July 1, 2014, for out-of-state vehicles

Mailing address: **California Air Resources Board**
Confidential Truck and Bus Hardship Request
P.O. Box 2815, 5th floor
Sacramento, California 95812